

Business and Market Opportunities



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Chicken Business Models

There are different ways of doing business with chicken. For table-eggs, the farm gate price is about KES 11. Eggs are sold mostly to the hospitality sector; Hotel, Restaurant, and Catering (HoReCa) and in supermarkets. Only a small portion are sold in open markets. Most of these traders are self-employed young people who have established networks with buyers.

You want to make sure that you sell your chicken meat as soon as the chicken is mature. If you sell at the farm gate, the price of a mature broiler is about KES 450 and for local improved Kienyeji Chicken the price starts at about KES 600.



Note that the given prices were updated in January 2024.

Production



Broilers

- Growing period: 35-42 days
- Production cycles per year: 7
- Desired market weight: 2 kg
- Needed feeds: 3.8 kg per bird



Improved Local/ Kienyeji Chickens

- Growing period: 90 days
- Production cycles per year: 4
- Desired market weight: 2 kg
- Needed feeds: 4.6 kg per bird



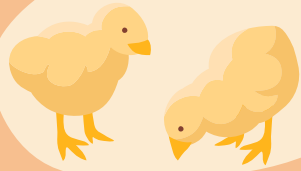
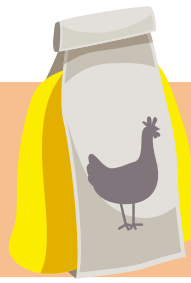
Layers for Egg Production

- Start laying of eggs: 5-6 months old
- Laying period: 12 months long (until it is 17 months old)
- Number of eggs laid during 12-month period: 208 - 260 eggs per bird (4-5 eggs per week)

Depending on the market, you can choose to produce for sale of chickens or for table-eggs.



Buy quality Day Old Chicks
and give quality feeds



Market Opportunities

How the Chicken Market operates

- Most farms prefer to work with traders.
- The traders buy live chickens and table-eggs from the chicken farmers.
 - ◆ Later, they sell in open markets or to individual local buyers.
- Many farmers prefer to outsource distribution as it requires more investment, human resources and time.
- Most open markets are about 10-40 km away. Traders mostly use motorbikes or bicycles to pick up and deliver chickens and table-eggs.
- Contract farming with an off-take agreement: This is where the farmer makes an agreement with a buyer, to sell the chickens or eggs in advance before they are ready. This makes it easier for the farmer to obtain financing.

The Kenyan Market

In Kenya, the production and consumption of chicken meat and table-eggs keeps on increasing. The production in the past few years went up by 14% for meat and 10% for table-eggs.

For example, in Kakamega, Kisumu, Siaya, Bungoma and Vihiga, the production of chicken meat has increased by 11%, and 9% respectively per year for table-eggs.

In 2020, 16% of the meat consumed in Kenya was chicken. To keep up with the growing population and appetite for chicken meat and table-eggs, production will have to increase as well.

The need for the chicken trading business is made obvious by households shifting from producing Kienyeji Chickens to small, medium and larger chicken farms.

The Opportunity

Why invest in the chicken business?

1. There is a ready market

- There is a strong and growing market demand for chicken.
- This includes individual buyers, open markets, and also service restaurants and caterers.

2. There are low-entry barriers

- You can start the chicken business small.
- Access a small capital investment and a small number of birds to start with, and increase over time.
- The chicken business starts to pay back from the fifth month onwards.

3. You can start on a small space of land

- No need for large areas of land.
- You can make good use of a small space or plot to venture into a chicken farm business.
- That is why you can operate both in urban and rural areas on small plots.

4. It is a means of self-employment

- The chicken business creates job opportunities, especially for groups like youth and women.
- For example, in every 30% of the market volume of chicken traded in Kakamega, Kisumu, Siaya, Bungoma, and Vihiga, 1,000 chicken traders could emerge.
- Most of these traders are self-employed young people who have established networks in the open market, supermarket chains, and the HoReCa sector.

5. You gain technical skills and knowledge on chicken business.



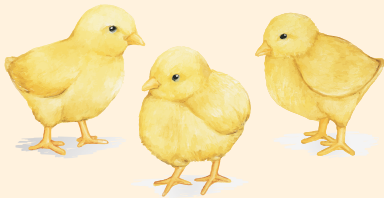
Tip: It's a good idea to get a contract with a buyer so you are guaranteed a market.

Tips for a successful Chicken Business

- Save money for starting the chicken business or borrow from a bank, SACCO or chama.



- Always buy local Day Old Chicks.



- Make market networks or linkages with buyers such as in the HoReCa sector and institutional clients (schools, clinics etc.).



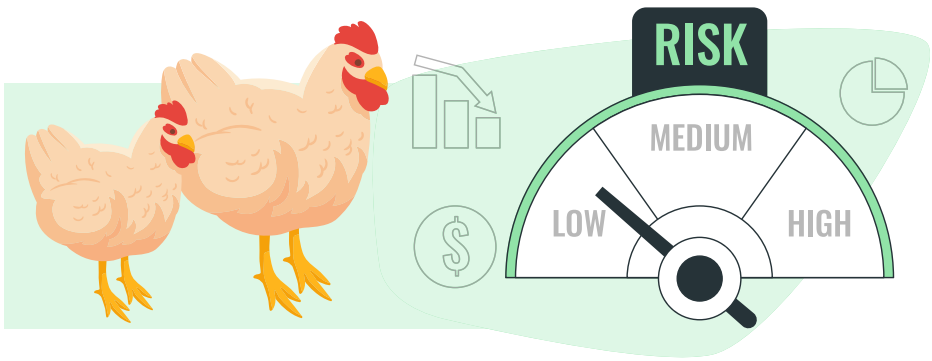
 **Reminder: HoReCA:**
Hotel, Restaurant, and Catering

- Construct a good chicken house;
 - ◆ Constructing a chicken house and buying drinkers and feeders takes up to 80% of the money you need when starting a chicken business.
 - ◆ You will also need money to buy chicks, feeds, drugs and a motorbike or a tricycle.

- Control the length of the production cycle and make sure your chicks get to the right weight on time.



- Set aside time to train in how to run a chicken business. The key areas include:
 1. How to make your own feeds and vaccinate your birds.
 2. How to keep chicken farm records, basic finance, and marketing.
 3. Visiting chicken demonstration farms which are doing well in order to learn.
 4. Basic repair of motorbikes and tricycles (mechanics).



Risks Analysis and Risk Mitigation

Be aware of some of the risks that you may face in your chicken business and come up with ways to prevent them.

Risk Analysis

List down all the risks in the chicken business. For example:

1. Outbreak of chicken diseases
2. Little access to finances especially when starting
3. Lack of know-how skills
4. The chicken business seen as a part time job



Remember: It's important you look at your chicken business as a full-time job. Give it all the attention and investment needed.

Risk Mitigation

Here, come up with ways or measures to help you avoid the risks. For example:

1. Get a vet to vaccinate or treat your birds.
2. Look for ways of getting money for your chicken business. These include matching grant programs or loans with institutions like banks, and micro-finance institutions for startups.
3. Join a short-term training at an education centre on chicken business.
4. To tackle the issue of the chicken business not being seen as a long-term business activity, continue to scale up your chicken business and chicken trading into profitability.
5. Venture into value addition e.g., chicken slaughtering and selling meat to the HoReCa sector.

List all the risks you foresee on the left and the mitigation strategies that you will use on the right:

Risk	Mitigation Strategy

Watch



Saturdays 1:30 pm (English)

Sundays 1:30 pm (Kiswahili)



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